

THE PEOPLES' FINANCIAL CATECHISM

... CONCERNING ...

THE MONEY QUESTION /

-- and --

THE BANKING SYSTEM

-- BY --

R. C. OWENS

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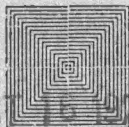
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INTRODUCTION

DEAR READER:-

I trust that you will, after reading this booklet carefully, begin to see the importance of the money problem to all wealth producers under the present system,—then, if you are interested, procure a copy and read the pamphlet entitled, Daylight on the Money and Banking problems, and if your interest is aroused so that you are prepared to act with others in making a change for the better in society,—then procure a copy of the pamphlet entitled Bridge to Liberty, which I hope soon to have published. It points the way.

CHAPTER ONE

PROLOGUE

Williams has recently given a lecture in Geneva to the farmers on Long Time Loans at Six per cent. It has created quite an interest in the community.

Sanders and his boys, Joe and Harry, discuss the lecture.

CATECHISM

SANDERS—Well, boys, how did you like that lecture?

HARRY (16 years old)—Well, he is a good speaker, but I can't understand why the farmers are compelled to borrow money at all.

SANDERS—That's right, my boy. Under a system of plenty of money, we would get good prices for everything we sell, and have plenty of money without borrowing.

JOE (18 years old)—I noticed he said that three per cent. was the increase of wealth. Then how can the people pay six per cent? They would fall behind three per cent each year. Then again, when the farmer pays six per cent. and the money lender gets six per cent., that widens the gap to twelve per cent. between the two each year. I don't think he is a good reasoner or a safe counsellor.

HARRY—Well, I am going to see if I can.

BIBLIOTHEQUE
du
COLLEGE SAINT-JEAN
EDMONTON, ALBERTA

Sanders' son is after information.

HARRY—Pa, what is money, anyhow?

SANDERS—Well, money is a device, an instrument or recognized medium, whereby labor and the products of labor are exchanged.

HARRY—Well, yes, but has money any other uses?

SANDERS—Yes. It is used to pay or cancel credit obligations of all kinds, such as bonds, mortgages, notes, store bills, and wages, and also taxes, and all kinds of debts.

HARRY—Pa, why should there be any debts?

SANDERS—Because, money being so scarce, the people incur debts by purchasing things they need on time, hoping in the future, in some way to get the money to pay the same.

HARRY—Pa, why don't they make and let the people have plenty of money to do their business with?

SANDERS—Well, they keep the money scarce, so that the people **MUST** hire it from them and pay them tribute (interest) for the use of it.

HARRY—Then why don't the people themselves make all the money they need?

SANDERS—The Government would not allow them, for it would be against the law.

HARRY—Why is it not against the law for the bankers to make money?

SANDERS—Well, the Government gives them this privilege by law.

HARRY—Then the Government itself has the power.

SANDERS—Yes, that is true.

HARRY—Pa, then why don't the Government make and put in circulation money enough so the people can transact all their business without going in debt to the bankers and money-lenders?

SANDERS—Because the bond-holders, bankers, money-lenders and allied interests, including their tools and agents, lawyers and politicians control and run the Government.

HARRY—And where do the Governments get the millions they need to carry on with?

SANDERS—Partly in taxing the people on nearly everything they eat, wear and use, and partly by borrowing from the bankers at interest, which is the way public debts are placed on the people.

HARRY—Say, Pa, what is Government for anyhow?

SANDERS —Well, Government is supposed to transact the business for all the people collectively, which they cannot do individually, hence the country is divided into small districts supposed to have about an equal number of voters, so each division elects a member to the law making body, which is called a Government.

HARRY—Then why is it that these members make class laws, enabling the very few to rob the many?

SANDERS—The people have been divided nearly equally between two political parties from time almost immemorial, and the Money Power, through the press and politicians, has kept them so divided that they have lost sight of their own interest, so that the big interests control the conventions, practically selecting the candidates of both parties; then, too, the big interests contribute to the campaign funds of both candidates, so whichever is elected the "Money Power" controls them, and the common people get left; but thank goodness the people are getting wise to the game. The farmers and labor people have

56 good members now at Ottawa, who are making a good fight for the people, as far as they know, but very few of the people are keeping posted on the proceedings in Parliament, so that is poor encouragement, and they can get this information free if they only knew it.

HARRY—Say, Pa, why don't they teach these important matters in the schools?

SANDERS—Because the Money Interests control our school system.

HARRY—Nor do we see anything in the newspapers in regard to these evils?

SANDERS—No, indeed sonny, Senator Wyndom of Minnesota about 40 years ago stated in a letter to the Anti-Monopoly League, then in session in New York City that the Money Power had bought the whole press of the Nation, and were controlling all the avenues of intelligence, hence the editors and writers are but the mouthpieces and watch-dogs of the capitalists, the Money Power.

JOE (Joe, Saunder's 18 year old son, asks)—How about our colleges, academies and universities, do the capitalists dominate them also?

SANDERS—Yes, the text books used in these institutions on money, bonds and monopolies, in general are all written and compiled by bankers or their paid agents, so that Professors **MUST** govern themselves accordingly. Occasionally a man such as Salem G. Bland in Canada, or Prof. Scott Nearing in the States gets off the capitalist's reservations and presumes to teach these problems from the standpoint of justice. They are straightway discharged, so that is a lesson which makes other Professors be good.

HARRY—Well, how is it that the clergy, the Christian preachers, don't tell the people about these terrible evils?

SANDERS—Well, that would take some time to explain. There are many reasons; first, a large number were brought up and came from well to do families, who profited and prospered by the evils of the present system and could not see its evils any more than slave owners could see the evils of chattel slavery; second, in college their associates were mostly of similar type, and most people are largely influenced by their environment, then when they enter the ministry they have the ambition to rise in their profession, and their object being to get people to prepare to attain happiness in the next life, and the majority of them have families to look after and they, as well as others, try to live comfortable and this takes money, and their wealthy parishioners sometimes contribute to their support more liberally than the poor, so you can perceive how they are influenced.

JOE—Then the Money Power dominates practically all our important institutions, including the Government itself?

SANDERS—Yes, that is sadly and humiliatingly too true.

HARRY—Well, how is it possible for the people to remedy this sad state of affairs?

SANDERS—Well, there are only two ways in which they can, that is, either by an intelligent and wise use of the ballot, or by and through a bloody revolution.

HARRY—Well, but the people have been using the ballot, lo these many years, and you say matters are rapidly getting worse... How do you explain this seeming contradiction?

SANDERS—Remember, I said a wise and intelligent use of the ballot, which would take too much time now to explain, but which is set forth in the (Bridge to Liberty) a 25 cent booklet which I am having published.

HARRY—Well, I must get that Booklet and study the ballot... Really I do not like the idea of a bloody revolution if such can possibly be avoided.

A neighbor, Mr. Gibbons, and his wife, come in to visit Sunday.

MR. GIBBONS—Say, Nelly was telling us last night when she came home about the conflagration she listened to between Harry and you on money and banking, the cause of hard times, the ballot, revolution and lots of things. She said it was interesting, how Harry asked questions and the way you answered them, but I'll bet I can ask you questions you can't answer.

SANDERS—Well, let us have dinner, then I will be at your service as far as I can.

After Dinner

GIBBONS—Now Sanders, we must have some basis to reason from.

SANDERS—I am glad you made that suggestion, so I will lay down this basis. That labor, work, labor power, produces all wealth; that in any country where the people have the franchise, and elect their members to make their laws such members are the agents of the people, and the people should have the right to recall them and send others in their place when they fail to carry out their will.

GIBBONS—Well I will agree to that basis, I think it is sound. Now can you tell me why the times have steadily been getting worse and money harder to get, the last three or four years, than I ever saw in Canada before?

SANDERS—Yes, but there are contributory causes to be considered. On August 4th, 1914, the very day on which war was declared in Europe, the leading bankers in the East assembled in Ottawa,

and had the Borden Cabinet pass an Order-in-Council, permitting and allowing them to pay any and all obligations presented to them in their own notes (their own debts). They also passed a law allowing the bankers to increase their notes to an almost unlimited amount.

GIBBONS—Why did the bankers ask and get these privileges?

SANDERS — Mainly for two reasons:—first, They feared that many of the depositors being wealthy speculators would draw out their funds to invest during the war and that they might want gold, fearing that the war might cause bank failures, so, in that way, they prevented any run on the banks for gold, being aware that if trouble arose the bankers could not pay five (5) per cent in gold and the whole system would collapse; second,—the bankers, as well as other speculators, some of which I have alluded to realized that a war is always their harvest, as it makes an extraordinary demand for money, hence wished to be in a position to supply that demand by being enabled to issue their notes (their debts) in the form of money almost without limit, and by certain manipulation to draw interest on the same several times over each year.

GIBBONS—Why, how can the bankers draw interest on money more than once a year, when they loan we'll say, at 8 per cent per annum?

SANDERS—Quite simple, now let me explain a couple of the many tricks in banking of which the common people know nothing. Now I will give you an example.

Now, suppose I owe a hundred dollars to the bank and I have a horse to sell. You borrow \$100 from the bank and pay it to me for the horse. Next day I pay that same \$100 to the bank, then a member of the School Board borrows that same \$100 inside of 24 hours, so you see you both are paying on that same \$100. The School Board pays it to the teacher.

who on Saturday pays it into the bank, so it is ready on Monday for business again, that is, when they are loaning, but not the past four years.

GIBBONS—Say, Saunders, I never thought of anything like that in banking before. **Now what is the other trick, pray tell us?**

SANDERS — Well, you have heard people speak of bank credit, and read in the papers about it also. Now there is practically no such thing as bank credit. The banker loans money only on the pledged assets or collateral of the borrower, or a knowledge that the borrower is owner of property many times the amount of the loan which the banker can seize through the sheriff and sell.

The word credit is derived from the Latin "Credo" or faith. Credit proper, is where a person gets time from his grocer or merchant to pay for a bill of goods and depends on the purchaser's honesty to pay or a wholesaler selling to a retailer a bill of goods without the cash, but having faith in his honesty and ability to pay when he promises, but banks don't do business on faith.

Now I will explain another trick they term "bank credit."

GIBBONS—Mr. Saunders, we must go; we have the cows to milk and chores to do, but let you folks come over next Sunday and we'll have this thing out or, at least, continue it. Bring over your boys, they appear to be very much interested. I have seen Harry making notes all afternoon.

Next Sunday

SANDERS — Here is how a large amount of banking is done in the Eastern cities. Wealthy speculators in grain or other lines of business or factory owners needing to borrow five, ten or twenty thousand dollars, pledge their assets (property) or collateral to the bank perhaps to the amount of fifty or a hundred thousand dollars. The bank gives them a Pass Book and a Check Book, and enters the

transactions on one side of the Ledger as a loan, and on the other side as a deposit, and not a dollar passed in or out of the bank, but the borrower pays interest on the whole amount from date. He checks it out in amounts as required in his business at different intervals between the floating and the settlement of the loan. Very often he does not have it all checked out at the time it falls due. This is called extending a "line of credit" to their customers, so you can see it is no such thing.

GIBBONS—Sanders, how on earth did you find out all these wrinkles of which the mass of the people know nothing?.. I really believe if the people could once realize how they are robbed, fooled and blindfolded they would not stand it a month, but you appear to understand the whole game.

SANDERS—Why, I have studied these problems, ever since I was about ten years old.

GIBBONS—Say, Sanders, last Sunday coming over, I told my wife that I could ask you two simple questions in regard to money that you could not answer. My idea was the same as many others, that you just thought you were smart and there was nothing in your talk, and I knowing nothing of these problems, but what I had read in the papers and heard from scheming politicians, but now I see my knowledge was worse than nothing, so I am anxious to learn.

SANDERS—Well, we are never too old to learn, nor too young to commence learning. Just see how interested those boys and girls are! They have been listening quite attentively.

GIBBONS—Yes, and Harry has been making notes same as last Sunday. Do you intend to write a full report from your notes?

HARRY—Why I am taking everything down in shorthand and intend to type it out on the typewriter.

GIBBONS—Well that will be fine. I also have noticed that the women folks have been paying close

attention to the discussion.

MRS. SANDERS—Well, why are we not as much interested as you men, and especially now, when we have the ballot, we have the same responsibility.

MRS. GIBBONS—Of course we have, and I hope we shall do better than they have done in the past. The men have been voting for several generations and see the mess they have made of our public affairs. Some of them used to say that women didn't have the intelligence to use the ballot.

SANDERS—Yes, indeed, and it was generally the men who voted (party) regardless of principle, who were loudest in that contention.

Jones, another neighbor, comes in.

JONES—Well, is it politics you folks are interested in?.. I notice you are in a discussion.

GIBBONS—Say, Jones, here we have this man, Sanders living amongst us so long and we haven't known anything about him. Why I have learned more on the money and banking problems from him this afternoon than I ever knew in all my life before.

GIBBONS—I notice that there is more interest taken by the people on that subject the last few years, since the times got so hard, and more in the papers about it than I ever saw or heard before. Well, it is about time for us to go.

JONES—My wife told me to invite you folks all to come over next Sunday for dinner.

They agree.

Jones continues—After dinner we shall get more information on the money and banking question from Mr. Sanders. I heard Jackson say, that he was the best posted man on that subject that he ever met.

JONES (Next Sunday.)—Is it money or lack of money, that has caused the times to get harder for the past four years? The price of everything we

sell is getting lower, and the price of practically everything we buy is going higher, and things are going to the dogs generally.

SANDERS—Well, if you will listen patiently, I think I can make it all perfectly plain. During the war, the bankers having been given power by the government, made and loaned out money to their friends for all kinds of speculation. They also loaned lavishly to farmers. As an example I know a farmer, who on the advice of the banker paid sixty dollars apiece for twenty head of coming two-year-old heifers, and paid nine per cent., and gave a mortgage on the heifers. Also on fifty head of other cattle and eighteen head of horses. Then came two dry seasons, feed was scarce. Two years after, he shipped more than half of what cattle he had to market. The price had dropped to almost nothing. After paying freight, and interest on the loan, he had very little left. If it had not been for his hogs and cream, that deal would have broke him flat, as the banker insisted that the loan be paid, it would have left him without either horses or cattle. He also had a mortgage on his farm. This is an example of thousands.

Now let us go back a little. During the war and a year or so afterward money was more plentiful in Canada, prices good, and all farmers and working people doing well, but in 1919 when the Bankers' Associations of the United States, Great Britain and Canada met in annual conventions, they decided to commence deflation, that is, to call in their loans as much as possible and cease making new loans; so you can see how that makes money scarce among the people, especially owing to the fact that there is not enough money in Canada altogether to pay the interest on the people's debts one year. Now, can't you see why times are hard and money scarce? There are many other contributory causes.

GIBBONS—Sanders, I think you are mistaken in your last statement. The bankers are loaning

money to make money. So if they cease loaning their income (through interest) stops. How do you explain that.

SANDERS—Quite simple, when you understand it. There are a number of things which we do not know until we learn. There are dozens of insurance, fire, life, mortgage and trust companies all loaning money on farm and city property. These companies are practically all owned by the same men, who own the banks, so when they make money scarce they take in a great deal of this property under forced sale or mortgage foreclosure, at generally less than one-fourth its value.

I saw where a statistician recently states that there has been a greater area of farm lands taken over under mortgage within the past two years in Canada, than cropped under wheat in the Province of Alberta. Also city, town and village property to the amount of nearly a hundred million dollars.

Then after a while the money power will commence to let money out again and times will improve. The price of property will go up again and they will sell out this property at a higher price than ever, get a good payment down and collect a few years interest. Then in about seven or eight years when the people are enjoying a little prosperity they forget about the hard times. The money power commences to draw the money in again, and repeats the same operation, and the people grin and bear it.

Now let me give you an extract from an article by Fredrick Williams Taylor, President of the Bank of Montreal, also President of the Canadian Bankers' Association. In an article in the Financial Post, New York and quoted in Canadian Finance, Nov. 15, 1923, he says; There has been substantial progress made in deflation in Canada since the end of the war. At the end November, 1918, the Dominion note issue amounted to 337 million and Bank Notes stood at 235 millions making 572 millions.

"In July, 1922, Dominion Notes stood at 231 millions

and Bank Notes at 161 millions making a total of 392 millions; that is 180 millions **taken out** of circulation in two years and eight months."

At the same rate of deflation we would have now some two hundred and fifty millions less money to do our business with. Now after the war when all this money was in circulation amongst the people we had good times. All wage workers were generally employed at fair wages. Farmers were getting good prices for their products. Merchants were doing good business; so you can see the condition of the people, brought about purposely by the money power in less than five years.

JONES—Yes, I can see it all perfectly plain, now as you explained it. What wicked, soulless scoundrels the bondholders and money sharks are.

SANDERS—Hold on now, Mr. Jones. I do not look at those matters that way. I think these are intelligent men looking out for their own best interest. They see to it that they, their wives and families have an abundance of all the good things of life by seeing that the laws are made, and operated in their interest. In fact I rather admire them. Aside from the fourteen main banks in Eastern Canada those men running the thousands of branch banks all over the country are merely hired men acting according to the instructions of their bosses, and are just as good as we are; so it is not the men, **it is the system**. Perhaps we would do no better in their place.

JONES—But look here, Sanders. Those leading bankers are no fools. They surely must see the awful consequences of taking the money, the life-blood of industry, out of circulation and causing such poverty, unemployment, suffering, destitution, misery, starvation and crime, in a land of plenty. No, no, you can't make me believe such schemers are innocent.

SANDERS — But I look at the matter this way. In a country where the people have the ballot

the majority have the power and the right to make the laws in their own best interest, consequently if they allow or permit a small minority, the monied interests, less than five per cent, to rule and rob them, then I say it is the ninety-five per cent who are to blame. There are inherent evils in our present electoral system that must be remedied in order to make the ballot really effective. These I endeavor to point out in a booklet entitled the "Bridge to Liberty," by and through the ballot, which I hope to soon get published.

GIBBONS—Mr. Sanders, will you tell us what is the first and most important step the people should take in order to make the necessary change?

SANDERS—Well, first, find out what is wrong, and you will realize that the whole system is carried on, on a wrong basis. If the foundation is not perfect, then the whole structure is faulty. Everything now is carried on for "profit" instead of for "use." Profit means getting something for nothing.

Interest, rent and profit, all three mean the getting of some of the products of other people's labor without returning an equivalent, and there are innumerable schemes under the present system for doing this.

To my mind the first and most important political move is to capture the National Government. Because the money power now own all governments, that is how they get all the laws made in their interest; so when the people own the government then and only then can they have laws in their own interest.

Again capture the general government and you capture all other institutions, such as all minor governments, also the judges, the courts, the educational institutions, the universities, the colleges and schools. Yes and even the churches and clergy, will all function for us, when we own the government. Lastly, but most powerful of all in molding public opinion, we will have the press, in which the writers, editors

and publishers, who are now the active mouthpieces and watchdogs of the money power, will then be vying as to who can serve the people best.

JONES—Now, Sanders, I must disagree with your method. I believe with the radical socialists, the communists and the radical labor bodies that we must organize, unite and overthrow the whole capitalist system, by force, and then build up a Communist system as Russia has done. We can't wait for your ballot business. We have been trying that for centuries.

SANDERS—Hold on there, Mr. Jones, if you would simply and intelligently ask questions instead of telling us what you think can't be done we might make more progress.

GIBBONS—That's right, this is your school, Mr. Sanders, and I must say I have learned more those two Sunday afternoons on social, economic and political problems than I ever knew before, and it is all common sense.

JONES—Pardon my interruption, I will try to listen and ask questions, perhaps we'll get more information in that way.

SANDERS—Now in the first place Russia has not established a Communist system. They have been trying now over six years. Of course we realize what they have had to contend with. If I had been in Russia I would have been a Bolshevik. The Czar was head of the Greek Church and the clergy were simply his tools and agents to keep the people in subjection. They, knowing no other form of Christianity, tried to destroy all Christianity. Well, able men have been devoting their energy and ability trying to destroy Christianity for nearly two thousand years and haven't made much headway yet. 'Tis true Russia has a Workers' Government, but not Communism, nor even Socialism. They did not understand the money and banking problem. They

tried to abolish money at first and found that did not work. Now they are trying to bolster up the broken-down gold basis capitalist money system, which is an impossibility. There is not gold enough in the world to pay five per cent. on the debts which are payable in gold, and not enough in the world to do either the United States or Russia as money. If they had established a perfect money and banking system in Russia they would now be decades ahead of where they are at present. A proper or perfect medium for the exchange of labor, and the products of labor is indispensable in any country until every industry is organized and working on a complete co-operative system. Then a time check can take the place of money.

MRS. GIBBONS—I am delighted with your talks Mr. Sanders, but your audiences are too small entirely. We should get up a good meeting for him to explain these matters to.

MRS. JONES—Why not get up a great mass meeting through the U.F.A. to be held in this town and give this man a good audience to talk to.

MR. GIBBONS—Yes, that is just what we'll do, and I will bring the matter up at our local next Tuesday evening.

MRS. GIBBONS—Good, and I propose that we four be a committee to arrange the matter, and we will invite our shorthand reporter too, to take down his father's address.

Mr. Sanders, how will that suit you?

SANDERS—Alright, anything in the way of propaganda is agreeable to me. Now to advertise this, what means will you take?

GIBBONS—What do you recommend?

SANDERS—Well that is the business of the Committee, but as to the wording of the advertisement, allow me to suggest the following:

FREE LECTURE

A MASS MEETING

to be held on

SATURDAY, JUNE 14

at 3 P.M.

COMMUNITY HALL

in Geneva under the auspices of the U.F.A.

SUBJECT:—"Our Fraudulent Money and Banking System." The cause of the present hard times and the remedy. By

SYLVESTER SANDERS

the Carpenter and Farmer.

Everybody especially invited to hear this walking encyclopedia on the questions of the time. Members of Parliament especially, also bankers, lawyers, college and university professors.

Bring your wives and children, over fourteen years, to hear the "New Gospel of Freedom."

After the address he is prepared to answer any and all questions from the audience bearing on the subject under consideration.

CHAPTER TWO

June 14 by noon the town was crowded with people and before three o'clock the Committee saw that the hall couldn't near seat the crowd, so Mr. Hughes, the minister of the Union Church, held a hurried consultation with his church committee and came to the rescue with the offer that they hold the meeting in the Union Church, which was gladly accepted.

At 3:30 the meeting was called to order by Mr. Laughlin, who nominated Rev. Hughes for chairman, who declined respectively in favor of Rev Father O'Leary, who thanked the audience for the honor.

The vast church was filled to overflowing. Father O'Leary nominated the Rev. Mr. Hughes as secretary, who was unanimously elected. Harry Sanders took his seat at the reporter's table with the reporter of the "Geneva Echo" and the secretary.

The chairman then introduced the speaker, as an exponent of the gospel of a new school of political, economic and social ideas and principles, which he hoped are going to revolutionize, that is, change our whole social, economic, financial and political system, and harmonize all our best institutions with the progressive age in which we are privileged to live, and discard all which are hurtful and useless. I bespeak for him a cordial, kind and respectful hearing.

MR. SANDERS—Mr. chairman, ladies and gentlemen, neighbors, kind friends and young folks:—

I feel but poorly qualified to perform the herculean task which your genial chairman has set before me this afternoon. The subject is too vast to be properly dealt with in one talk, nevertheless I shall endeavor to place before your minds what I deem some of the most important points for your consideration, in order to start you to think in the right direction.

First, correct ideas must precede successful action; hence how essentially necessary for us to have sound ideas regarding fundamental problems. All sound thinkers agree that labor produces all wealth. This being a recognized fundamental fact, why is it that those who produce the wealth have so little of it and the bulk of the wealth is in the possession of those who produced none of it. As there is no effect without a cause so it is for us to use our reason and find out the cause then remove it. We find upon examination that this is done legally. Further we find the wealthy classes control the law making bodies. The wealthy classes are not more than five per cent. of the population. If the majority would use the ballot intelligently they could have all

the laws made and administered in their own interest. Heretofore the mass of the people have been doing the working and voting and allowing the idle few to do the planning and stealing. The idle few get their principal power to rob the masses through their control of the Money and Banking System. Through their control of the press, pulpit and educational institutions they create public sentiment in their own interest.

He stated that usury (interest) for money is the main curse of present so-called civilization, which he termed "civilized barbarism," owing to the fact that millionaires are being multiplied like snow flakes in a mountain gorge, proving that the wealth producers are being robbed more successfully now than at any time in past history. The robbery of the masses is made possible through the few having the laws made and administered in their own interest.

He explained how the privilege of the banking laws enabled the bankers to double their wealth by permitting them to issue their promissory notes in the form of money to the same amount, which they have invested in bank stock, showing and proving how the people borrow and pay interest on the bankers' debts to use for money to do their business with.

Second. He showed that the people's deposits of money in the banks amounted to four or five times as much as capital invested by the bankers. This they also loan out at interest, when they are loaning but not during hard times.

Third. He explained what they call bank credit. He claimed there was no such thing as bank credit proper. He explained the so-called bank credit as follows: In the large industrial centres big speculators and business men generally, who are friends of the bankers, get what bankers call a line of credit by pledging their assets or collateral with the bank and giving their note for five, ten, twenty, or twenty-five thousand dollars. He pays interest from date on the note, then the amount is entered on one side of the bank ledger as a loan, and on the other side

as a deposit, and not a dollar has passed either in or out of the bank. He is given a check and a pass book. Then he checks it out in small amounts during the season and may have quite an amount still in the bank at the time of settlement. He checks it out perhaps for wages. The workers expend it next week with merchants and they deposit it in the bank on Saturday; so it is back ready for business again the next week, but sometimes they get terribly fooled by some of their friends. For instance in the recent Home Bank failure, the Merchants Bank fiasco and a few others absorbed by stronger banks.

Fourth. The bankers power to make, issue and control the whole volume of money which the people have to do their business with to make it scarce or plentiful, as they see fit, he contended was the greatest privilege of all. He quoted the bankers own figures to prove that we had less than one-third as much money in circulation, at the present time, as at the close of the war. He declared that the whole volume of money in Canada was not large enough to pay the annual interest on Canada's gross indebtedness. He explained why they purposely make money scarce. He said that the scores of insurance, loan, mortgage and trust companies, all loaning money on farm and city property were nearly all owned by the same men who own the banks, so when they make a period of hard times those having their property mortgaged are taken unawares and are unable to keep up their payments and interest. When the people fail to meet the payments and interest the loan companies, banks, etc., take over a lot of this property at forced sale at generally less than one-fourth its value. After a while they make money more plentiful, times get good, property goes up again and they sell this property at a higher price than ever. When times get good again the people forget. Every nine or ten years the same game is repeated, and there you are.

Why some of these bankers are directors in over

a dozen different corporations. Some of them are members of Congress, Parliament, etc. They are the principal owners of big factories, mines, railroads and public utilities, such as street car lines, water works, electric and water power plants, irrigation works, in fact, all natural resources and public utility corporations on which the people pay tribute in interest, dividends and profits. So taking it all in all they have the people now so hopelessly in debt to them, that the people will never be able to pay same. They expect they and their children and children's children will draw tribute through interest, dividends and profits for all time on these debts.

Upon consulting his watch, the speaker said: "Kind friends, pardon me, I find I have taxed your patience now for an hour and a half, I had no idea I had talked an hour." The audience shouted go on, go on; we can stand it as long as you can!

Well there are many things which I would like to bring to your minds, but will call your attention now to only two very important subjects:

First, education. There appears to be an attack made all along the line on our public school system to lower the standard of education, on the plea of economy, these hard times. This means less education for farmers' and workers' children, so that such taxes may go to pay interest to the bankers and bondholders. He implored the farmers and workers to stand as adamant against any such proceeding, but to keep raising the standard of education until every girl and boy, rich and poor, shall have equal opportunity of a first class education. Thus and thus only, can all have equal opportunities in after life. We do not hear them calling for the curtailment of expenses in regard to our expensive colleges and universities, where some professors get two, three, four or five times as much pay as some of our public school teachers, and where few of the farmers' or labor people's children can take advantage of. No, no, that would be interfering with some of the privileges of the wealthy classes.

And second. I take this opportunity to call your attention to the imperative necessity of every man, woman and child being in your organization. He explained that this was the age of Union, Cooperation and Association. He said the bankers were all in their union and acted together, not only nationally, (factory owners) were all in their union, the manufacturers' association, the merchants, wholesale, the retail, the hardware, the grocery, the clothing, the druggists, the confectionery, the bakers, the millers, the lawyers, the doctors and many other interests were organized and each and all for one purpose, of getting as much as possible of the wealth produced by farmers and other wealth producers, with as little effort as possible. Now there is no other way under heaven by which the wealth producers can protect themselves from the highly organized interests which surround them on every side, and fleece them every move they make, both in buying and selling.

He showed that the majority of the farmers as yet, have failed to see that "unity" is their "only" hope, and implored and begged them again and again to unite with their brothers and sisters in the U.F.A., claiming that it was the only move the farmers have ever made which has aroused the ire of the money power.

He also showed that in the present Parliament at Ottawa, the farmers and workers have fifty-six members who are standing together making such a fight for the interest of the common people. Some of them are the ablest members in the present Parliament and not one in a thousand of the voters know anything of the fight they are making on account of the money power control of the press.

He claimed that by the energetic work of these fifty-six members lecturing to the people between sessions of Parliament as some of them have been doing, the common people can elect a majority in the next election. He claimed they could well afford to do so on the salary they get.

Now, my dear friends, I have endeavored to point

out some of the main evils of our social system, especially the money system. Now for the remedy. The bankers have no power but what they get from the Government. The special privilege granted to the bankers should no longer be extended, but the Government should take over the whole money and banking business and administer the same in the best interests of all the people "at cost" as it does the postal department. It should make and put in circulation a perfect paper money, in sufficient amount, so that all business can be done on a cash basis. Said money to be paid into circulation by the Government paying all its current expenses and for public improvements until the people have enough money in circulation to do all their business without borrowing. Thus and thus only can society break the shackles of usury, (interest) on money, without doing an injustice to any person.

Now, I thank you all for your courteous and kind attention, and will as best I can answer any questions you wish to ask. Your chairman is requested by your committee to state, at this juncture, they wish to take up a collection.

MR. CHAIRMAN. Mr. Gibbons has the floor.

MR. GIBBONS. For the information of the audience, I will state that this collection will be donated to the speaker of the evening (loud applause). He being, as a large majority of us, these hard times in straitened circumstances. Then having his barn and other stuff burned last fall, we should do what we can to help him. (Applause and cheering). While the collection is being taken, I will call on our young poet for a song.

Mr. Chairman, as I am not in good singing trim this evening, I will quote you one short verse appropriate to the occasion.

"Stretch forth thy hand like a brother,
And remember that life is but a span,
'Tis our duty to help one another,
And do a good turn when we can."

(Great Applause).

SPEAKER. Please come on with your questions.

MR. BRADY. Do you propose that this Government do as they have in Europe, make paper money so plentiful as to become worthless?

SPEAKER. No, I do not. In the first place, they have no paper money in any country in Europe. They only have paper "promises to pay," paper notes, bankers' debts, supposed to be payable in gold. The people find out there is no gold to be got, then these paper notes, paper promises, these paper debts of the bankers become worthless. A promise to pay is not money it is only a substitute for money. There is no other problem by and through which the people are so befuddled, blindfolded and robbed as on this money and banking question, yet so simple when properly understood.

No banker, person or corporation can make or put in circulation anything as money, without permission from the Government. This fact is proof that the Government has the power inherent in itself, so you easily see money is a creation of the law and not something inherent in a material thing. So the value of the material or thing on which money is stamped has no relation to the face value of the money stamped on it, only so far as utility and convenience (political economy) is concerned. Still we are led to believe that gold, only, is money proper, and that paper money must be based on gold. Now, I will ask any person in this house this question, "If you never had done any business in your life, only what you have done with gold money, how much business would you have done? Don't all speak at once. (Loud applause).

Gold the money of the world; such nonsense! There is not enough gold in the world to do either one of two countries, the United States or Russia, as money, sufficient for their business. There is not enough gold in the world to pay interest on the debts of the world for six months. Then what nonsense to talk of gold as money of the world or as money

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at all. (A relic of barbarism).

What we do propose is, that the Government make and issue a new perfect paper money, good for all debts, dues and demands to and from the Government, and between individuals, at its face value, good for everything which money is used for, and in suitable denominations from five cents up, and exchange this money dollar for dollar, for the various kinds of imperfect money now in use. Also pay out this new perfect money in paying its current expenses and making public improvements, until there is money enough in circulation for the people to do their business with, without being compelled to borrow and pay as much as one per cent. for money, that is the way and the "only" way to get rid of "usury" (interest) on money, under the present system. Is that a satisfactory answer to your question? Entirely so. (Great applause).

Q. MR. HODGENS. How do you know that the Government can make a perfect money that won't depreciate or go below its face value?

ANSWER. Because I saw it proven in 1861 in the United States. The people turned the old Democratic Party (slave party) out of power and elected the new born Republican Party, with Lincoln as president. Seven Southern States rebelled and set up a rival Government in the South. The United States Government had to raise an army to whip the rebels back into the Union. The treasury was empty. They tried to borrow from the bankers. The bankers offered to loan the Government their notes (their debts) worth only eighty cents on the dollar at the time at three per cent. per month and they asked that the interest be paid in gold.

At that juncture a farmer from Illinois journeyed to Washington and laid before Lincoln and his Cabinet, a plan of Government paper money. They readily saw the utility of it, and a bill was drafted accordingly, and passed the lower house in twenty-four hours. When it reached the Senate,

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which was largely composed of bankers, monied men and lawyers, (the tools and agents of the money power), the bill was delayed over three weeks notwithstanding the fact the Government was in dire need of money to raise and equip an army and carry on. In the meantime the Secretary of the Treasury issued ten million dollars as the bill first passed, making it full legal tender money for all debts, dues and demands in the United States. The ten millions of dollars was soon used. Then he issued fifty million dollars more, making sixty million dollars in all. When the bill passed the Senate, they had changed it by placing two exception clauses on it. The exception clauses were except for (1) "duties on imports" and (2) "interest on the public debt."

There were issued, during the war, paper money of different kinds amounting to \$1,818,000,000, including the sixty million dollars with no except on it. The sixty million dollars never depreciated or went below its face value whilst all the rest depreciated until at one time it was worth but thirty-nine cents on the dollar. The bankers got the sixty millions out of circulation as soon as possible. When any of it came into the bank they paid out another bill in its stead. I was working at my trade at the time not far from Washington and sometimes on pay day would get a five or ten dollar bill of that money mixed with the other and it was always counted at its face value.

What a Government can do at one time it can do at another time. What the Government of one country can do in that respect the Government of any other country can do. Is that a satisfactory answer? Entirely so. (Applause and shouts of He's all right!)

Now let me quote what the London Times said in regard to that perfect paper money.

Said the London Times in 1865: "If that mischievous financial policy, which has its origin in the North America Republic during the late war in that country, should become indurated down to a fixture, then that Government will furnish its own money

without cost. It will pay off its debts and be without a debt. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of the civilized Governments of the world. The brains and the wealth of all countries will go to North America. That Government must be destroyed or it will destroy every monarchy on this globe."

Q. CHAS. LINSTROM. What is your opinion of the present Farmers' Government, or what they have done?

ANSWER. Well, in the first place, it was very unfortunate that they came into power just when the bankers had commenced to draw in the money and make hard times. The Province having been loaded with such an enormous debt by former reckless administrations and, just think of it, a bunch of farmers and labor people to inherit such a legacy! The wonder is that they were able to carry on even for one year. The class who made the mess would have got through it no better. Then again it was too much to expect that in the first political move that the farmers and the other workers would get entirely from under the habits, customs and tricks in which they had been trained in the old parties.

In many of the conventions it was the office seeker, the place hunter, and scheming politicians, who got the nomination, instead of the person best qualified. All things considered they have done remarkably well, so I say the farmers should pay no attention to the bunch of politicians who largely compose the opposition. They are sore to think that they cannot corral the wealth producers any longer in the two old parties.

Brother farmers, you have made a good start in the right direction, and I beg of you to keep right on and for your own sake, for the sake of your wives and children, do not be sidetracked by your common enemy, you will find in the next political campaign all the sophisms of the wily politician will be used

to induce the wealth producers to vote against their own interest. So I say again build up your organization and make it what it should be, it is your only hope. (Great applause).

Q. A. H. ANDERSON. What is your opinion of H. W. Wood?

ANSWER. Well now, friends, please don't ask me to pass judgment on individuals, however, I believe Mr. Wood is a man of more than ordinary ability and has done good work for the U. F. A. He is to my mind far-seeing, wise and cautious, I have great faith in the ability of farmers; I believe they have amongst them men and women with ability to fill every office from pound keeper to premier. (Here, here and applause.)

MR. CHAIRMAN. Mr. Jones has the floor.

MR. JONES. I wish to offer a resolution for the consideration of this meeting.

Resolved, that this mass meeting do heartily recommend that the U. F. A. in this Province do what they can to have this man, Sylvester Sanders, in the lecture field continually, as we have learned more from him this afternoon than any lecture we have ever heard. There were several seconds to the resolution, which was carried unanimously.

MR. CHAIRMAN. Mr. Jones has the floor.

MR. JONES. I wish to state to the meeting that the result of the collection is \$97.60, and we are pleased to announce further, the committee have been presented with a check for an equal amount to be added to the collection, by W. J. Conroy, a wealthy young farmer, making \$195.20 in all. (Shouts of "three cheers for Mr. Conroy"), and further, Mr. Chairman, Mr. Conroy has paid his and his wife's membership fees and joined the U. F. A. and says he will do his part to help along the movement as he never before realized its aims and objects moreover, he has made a deposit with the secretary for the purpose of paying the membership fee of any person unable to pay. (Great cheering).

.Motion to adjourn.

Just a moment, the chair has a very important announcement to make to this meeting, perfect order now, I wish you all to get this. I am requested by the women of this town to invite you all to a supper in community hall, and after the repast, fifty minutes for short speeches, after that a picture show, followed by a dance with good music, all free, so now I declare this meeting adjourned.

A call for three cheers for the ladies who provided this supper and entertainment, which was heartily responded to; many farmers were compelled to start for home; the hall was soon filled, they were supplied with plenty to eat and drink, a variety of sandwiches, pies and cake, with plenty of tea, coffee and cocoa also lemonade, which were enjoyed by all.

Soon there was a call on the Union Minister for a speech, who responded, saying that during the past fifteen years he had read dozens of books and pamphlets, and had heard numerous addresses on money and banking, and with the exception of one booklet termed "Daylight on the Money and Banking Problems," that he had received more light and knowledge on that subject this afternoon than in all his life before, and complimented the farmers of this neighborhood and this Province on having such an able exponent, and advocate of the interests of the common people, he also quoted figures and statistics that prove the people of the whole world so enslaved to the money power that it will take the combined intelligence and best brains of the common people to save this civilization, and cautioned them not to depend on business, and professional men, as they have got the world in the chaos we are now in.

Father O'Leary then was called on.

FATHER O'LEARY. I heartily endorse everything said by Rev. Mr. Hughes, and say that we are now living in the most important epoch in the world's history. He claimed that about every 2,000 years there is a great change in world affairs,

and stated that Christianity under the present social system functioned less than one-seventh Christian, and illustrated by saying for six days of the week in all lines of work, merchandise and business, you will find no difference between the heathen, Jew, or Christian, but one day in each seven the Christian rests and worships God, but interest on money, (usury), works twenty-four hours on Sunday, and some Christians take usury, and sad to say, even some ministers of the gospel also, so they are less than one-seventh Christians. He claimed that justice and equity was what the wealth producers were after. He could see in the near future, a world free from the scourges of war, no idle rich, nor idle poor, crime reduced to a minimum, all with an abundance of the best of food, clothing and shelter, all prosperous, happy and contented, and in such a condition of society only can true Christianity flourish, and such condition only be inaugurated by the wealth producers themselves, and I am pleased to say that we have heard more good information and advice from the lecturer this afternoon, than I ever heard from all the politicians I ever listened to, and helps to strengthen my belief and faith in the good sense of the working people, and hope and pray that his good work may bear fruit even a thousand fold, so thanking you all, I bid you a good night.

Mr. Jackson was then called upon.

MR. JACKSON. The time allotted for speech making having nearly expired, I will not keep you long. I wish to compliment the people of this town and locality on having at least two ministers of the gospel who appear to be sincere followers of the founder of Christianity, and are true to their calling, by devoting what time they can to help improve the best interests of the common people instead of hobnobbing with the rich. And I now propose that we give way for the picture show, and dance, which was unanimously agreed to.

APPENDIX.

The following are extracts from the evidence of J. Skelton Williams, assistant secretary, under the Wilson administration, in his evidence before the committee on banking and commerce, Ottawa, May 22, 1924:

"During the last fiscal year the resources of the National Banks reached the highest point in their history, being, on January 1st, 1920, \$22,711,000,000, showing an increase as compared with the report for January 1st, 1919, of \$2,600,000,000. In the six months following January 1st, 1920, the resources of the National Banks declined to \$22,196,000,000, at which figure they stood on June 30th, 1920.

"That is, in the seven-year period from June, 1913, to June, 1920, the resources of the National Banks increased \$11,159,000,000, which is more than the total increase which took place in the entire fifty years from the inauguration of the National Bank System in 1863 up to 1913."

"The earnings of the National Banks both gross and net have surpassed all previous years. The net earnings for the twelve months ending June 30th, 1920, amounted to \$282,000,000, an increase of \$41,700,000 over the previous year, and an increase which has taken place in the net earnings of the National Banks in the past seven years has exceeded by \$18,000,000 the total increase in earnings shown for the forty-three-period from 1870 to 1913," and if Mr. McAdoo had remained at the head of the Treasury, there would not have been in the United States that period of drastic and artificial and unnecessary deflation which came about as a matter of fact.

"I prepared after a good deal of care a chart showing the tragedy of **artificial deflation**, and I have shown how the tumble in prices and the drastic **deflation** which took place was contemporaneous with the change of policy on the part of the Federal Reserve authorities of the United States in **restricting credit in calling in loans**; and that as the withdrawal of credit proceeded and the lack of loans and of Federal Reserve notes was felt prices came down with the curtailment of credit. If Mr. McAdoo had been at the head of the Treasury during that period from the spring of 1920 up to the spring of 1921, in my judgment that **deflation** would have been nothing like as **drastic** or as **cruel** or as **heartless**. I will give you an illustration.

"During the time I was trying to have deflation brought about in an **orderly way**, I read in a New York newspaper which I picked up on one occasion that two bills were under consideration by certain permanent officials having to do with the administration of our finances, one of which was **whether it would not be better to put on still more pressure, to create casualties and kill the wounded so that the limbs and bodies would not litter the way for others. That was one proposition which apparently was fully advanced by some financier at that time. It was a suggestion which I cannot see how any sane man could make.** I believe that if Mr. McAdoo had been there at that time he would have saved our country many billions of dollars and thousands of human lives, the lives of men who were destroyed and ruined and who took their own lives and committed suicide because they saw everything swept from them in those days by what I describe as **ruthless and heartless deflation.** Even with the best system of examination, if a policy of **deflation is enforced as it is possible to enforce it, banks and business houses and individuals can be ruined notwithstanding any examination that is possible.**

"Here is what happened when pressure was put on by certain authorities in the United States who,

instead of **extending credit**, credit was drawn in, and some banks to save themselves had to call upon their customers, and there were many cases where banks did save their own skins, but their customers were ruined, and if there had been an intelligent handling of the credit situation or proper handling of the credit situation, their customers could have been saved.

"I was a member of the Reserve Board during that period, and I remonstrated and expostulated against the policies which were in force, against the restriction of credits which seemed to me to be proceeding in an unreasonable and extreme manner. I do not have to say now all that I said, but this was said: I filed my written remonstrance with the Federal Reserve Board in the summer of 1920, in the autumn of 1920 and in the winter of 1920, and all through those months when prices were tumbling and the commercial and financial world was shaking, urging that there should be a relaxation of the policies which were in force. I think they followed the policy of **drastic deflation** entirely too far."—J. Skelton Williams, formerly Comptroller of Currency in the United States from 1913 to 1921.

Now I will quote from the pamphlet *Daylight on the Money and Banking Problems*, which every voter should read and study:

"Where is the power to issue and control money? Every Government in every so-called civilized country reserves to itself the right and power to make and issue the money or medium for exchange within its own jurisdiction, and passes strict and stringent laws prohibiting any and every person within its confines from making or putting into circulation money, or anything in lieu of money, and enforces such laws by heavy penalties. This being the case, would it not be reasonable to expect the Government to make and put in circulation enough of that thing called money for the people to do their business with on a cash basis. Is it not the imperative duty of the Government to do this?

"Now, what do Governments do in this respect. **They turn around and delegate this great reserve power to a few rich individuals, government pets—the bankers**—thereby giving a few rich men the power, first, to double their own wealth, and issue their promissory notes in the form of money which all the rest of the people are compelled to use as money; secondly, by giving them absolute power to control the volume or amount in their own private interest by making it scarce or plentiful as it best suits their purpose. This action gives them absolute power over all industries, commerce and enterprise so that scarcely any other man or combination of men can embark on any business, however necessary or beneficial to society, without first consulting the money power, thereby compelling all other classes of people to pay them tribute, so that rarely even a church or a school house can be built without consulting the usurers.

"We have it on the authority of historians and records of Christianity that all payment for the use of money was condemned by the Christian church from its earliest days, until the fifteenth century and up to that time the least fraction of what we now call interest for money was condemned as usury.

"Let me make, issue and control the money of a country, and I care not who may make that country's laws, I care not what the form, nature or principle of the country's government, or superior intelligence and high ideals of the people, I can control the press and through such an agency create and mould public opinion in my own interest. Through my mouth-pieces and watch-dogs—the editors and writers—with misrepresentation, ridicule and vituperation I can blast the standing, reputation and influence of the greatest intellects and noblest patriots who dare oppose my sway, and can make the people believe that their best friends are their worst enemies and vice versa. The legal lights will shape the law to suit my purpose, the courts will interpret and construe such laws in my interest, whilst by bestowing or with-

holding financial favors, I can blast or prosper any and every enterprise, public or private, and compel all commerce, enterprise and industry to pay me tribute and the people hail me as their benefactor.

"Evidently there is but one remedy for our monetary affairs, and that is for the Government to take over and operate the whole money and banking business in the interests of the people. Then the people will have money at cost and sufficient to do their business with on a cash basis, and be liberated from the grasp of the usurer and money changer, and this will go a long way toward freeing the wealth producer from the oppression of numerous other monopolies."

"The following I quote from Common Sense, a pamphlet published by Coin Harvey in the United States, and is the best exposition of usury which I have read, and I advise all voters to read it:

"Two men entered a Wall Street banker's office and said to him: 'We propose to buy all the sugar in the world, sufficiently near all of it to control the price. The price is now six cents. We are able to buy a few million pounds. As we bring you the warehouse receipts for the sugar, with them as collateral, we want you to finance us for a line of credit up to 200 million dollars.' 'A safe proposition,' said the banker. 'If I can arrange the bank credit for you, you can make it go, and you can well afford to pay the interest and to pay me a big bonus.' The deal was closed; the two men bought the sugar. With each cent the price advanced they made millions of dollars. It was then that we paid as high as thirty cents a pound for sugar. The money lenders got their interest; the banker got his bonus; and the monopoly, the profiteers, made millions. The victims were the tens of millions of men, women and children who were robbed.—The highwayman's command, 'hands up,' and done within the law. Under an honest money system, the money lenders eliminated, this could not have happened.

Is It Not Wholesale Murder?

In the first and second editions of *Common Sense*, March and May, 1920, we forecasted that the money lenders would soon begin deflation, contraction of the currency. This they did, beginning soon after our second edition appeared. To the unsuspecting people, who were awakened in the year following, by business depression, five million unemployed workers, farmers facing bankruptcy, and a crime wave, it was a shock. Of the 20,000 suicides last year, probably 15,000 can be credited directly to the Federal Reserve Board, the figurehead of Wall Street, and the forefront of the system that is bringing wreck and ruin to our civilization.

It is a cruel and wicked system, committing a **crime within the law**, that has come gradually by privileged legislation while the people slept. In possession of the money and credit of the Nation it owns or controls the major part of the larger publications and sets the minds of the business men in the towns and cities dependent on the banks for credit—thus creating a public sentiment that holds in leash the local newspapers, that to live must have the advertising of these men. So, as a rule, as to the press, thus influenced, a dead silence prevails, or directly or indirectly speaks in support of the system.

It is a monster power that we have to deal with, requiring, by the people, a knowledge of its character, and fearless, manly independence of citizenship, with the men engaged in the system recognizing the evil to which they are attached— **a reawakened citizenship of men and women who have been born again! Who will fearlessly and intelligently defend and set right our civilization?**

The Bible on Usury

As the reader reads the following quotations he should remember that "usury," as used in the Bible, means "interest on money," any interest. It remained, to have but this one meaning till about sixty years ago.

Ezekiel, ch. 18, v. 13, Hath given forth upon **usury**, and hath taken increase; shall he then live? **He shall not live; he hath done all these abominations; he shall surely die; his blood shall be upon him.**

Ezekiel, ch. 22, v. 12 and 13. * * *; thou hast **taken usury and increase** and thou hast **greedily gained** of thy neighbors by **extortion** and hast forgotten me, saith the Lord God. Behold, therefore, I have **smitten mine hand at thy dishonest gain which thou hast made.** * * *

Leviticus, ch. 25, v. 36 and 37. Take thou no **usury** of him, or increase; but fear thy God; that thy brother may live with thee. **Thou shalt not give him thy money upon usury.** * * *

Nehemiah, ch. 5, v. 7. Then I consulted with myself, and I rebuked the nobles, and the rulers, and said unto them, **Ye exact usury, every one of his brother.** And I set a great assembly against them.

St. Matthew, ch. 21, v. 12. And Jesus went into the temple of God, and cast out all of them that sold and bought **in the temple**, and **overthrew the tables of the money changers.** * * *

Deuteronomy, ch. 23, v. 19 and 20. Thou shalt not lend upon **usury** to thy brother; **usury** of money, **usury** of victuals, **usury** of anything that is lent upon **usury**. Unto a stranger thou mayest lend upon **usury.** * * * (The authenticity of the last sentence is questioned. See next chapter).

Isaiah, ch. 24, v. 2 to 5. * * *; as with the lender, so with the borrower; as with the taker of **usury**, so with the giver of **usury** * * * they have transgressed the laws, changed the ordinance, **broken the everlasting covenant.**

Coming out of the Dark Age, it was in the 5th century that the Christian religion was accepted. For many centuries, thereafter, the Catholic church was the recognized head of the Christian religion and from it we first get the opinions of the church on this subject.

The Catholic Encyclopedia, page 235, says:

"In the article, Interest, we have reserved the question of the lawfulness of taking interest on money lent; we have here to consider first, usury as a subject of controversy; and secondly, **Usury as condemned by all honest men.** * * * (Page 236.)

"The canonical laws of the Middle Age absolutely forbade the practice."

It then proceeds to give the claims of both sides after the question was opened up by the insistence of would-be money-lenders.

The Lateran Council

English Economic History, by Ashley, part 1, third edition, page 149:

"Among the canons of the great Lateran Council held by Alexander III, in 1179, one ran as follows: 'Since in almost every place the crime of usury has become so prevalent * * * we ordain that manifest usurers shall not be admitted to communion, nor, if they die in their sin, receive Christian burial, and that no Priest shall accept their alms.' * * *" The Pope in letters to the Archbishop of Salerno and the Bishop of Placenza, had pronounced that usurers, and even the heirs of usurers, ought to be compelled to **restore their unjust gains** under similar penalties." (Also, Decretales Gregorii, lib, 5 tit, 19, De usuris, cap 3, ed 1618, page 694; and Ib., cc 5, 9.)

The same authority says:

"It was at another great council, that of Lyons in 1274, that Gregory X ventured to make a fresh advance in both these directions. In one he ordains that no community, corporation or

individual should permit foreign usurers" (local usurers seem to have been under control) to **hire houses, or indeed to dwell at all upon their land, but rather should expel them within three months; and he forbids anyone to let houses to them."**

And Again:

"The next canon ordained that the wills of unrepentant usurers—of usurers who did not **make restitution—should be without validity."**

And again, same authority:

"We therefore decree with the approval of this sacred council (of Vienne), that whatever authorities, captains, rectors, counsels, judges, councillors or any other presume to make in future any statutes, either **that debtors shall pay usury, or, that a usurer is not bound to restitution shall incur sentence of excommunication."**

Schaff-Herzog says, "All apostolic fathers condemned the taking of usury." The Encyclopedia of Religious Knowledge declares the same. Chrysostom said, "**Nothing is baser in this world than usury, nothing more cruel.**" (Usury-Elliott, page 69.)

A SUGGESTED NEW CODE OF POLITICAL PRINCIPLES

(Daylight on the Money and Banking Problems)

1. That the government shall make and issue a full legal tender perfect money, and put it into circulation: (a) by exchanging it, dollar for dollar, for the various kinds of money in existence within a stated time in the near future (say six months); (b) by paying all its current expenses; (c) by paying it out for all necessary public improvements; (d) by paying its public debt until money is so plentiful among the people that no person will be obliged to borrow and pay even one per cent. for the use of a public utility. That all banking business be taken over by the government, and conducted in connection with the Postal Department in the best

interests of all the people, and that all present banking laws be repealed. All laws for the collection of debts between individuals should be repealed.

2. **Land.**—Whereas our present land laws are in conflict with natural law and social justice, and many students of political economy believe them to be the greatest economic evils of the present system. The government should pass a law that on and after a certain date, all titles to land except for use shall be null and void, and secure to each citizen his share of the same for use. That there shall be no tax on land, but instead a tax on privileged locations. Suppose farmer A lives within two miles of town and market, but B lives sixteen miles from town and market, their land being of the same productivity. It costs B one hundred dollars annually more than A to do his town business, then A should pay the government the difference for the privilege he enjoys over B. Government should encourage co-operative farming, especially on account of schools and community social life.

2a. Tariff is a tax on all productive industries, and paid by the farmer and all other wealth producers, and should be abolished.

3. **Natural Resources.**—As the earth, everything in, on and connected with it are the free gifts of the Creator to all mankind, all man-made laws enabling certain individuals and groups of individuals to speculate and exploit the same to the injury of the people are unjust. Therefore all minerals, timber and other natural resources should be held sacred and administered democratically in the interest of the people.

4. **Public Utilities.**—That all railways, telegraphs and telephone services are public utilities, and should be taken over and operated by the government in a similar way to the postal department. That corporation charters of all kinds be annulled, and all such business be taken over and democratically administered by some branch of government. That all heads of government departments be elected by the people.

That salaries of all public servants be governed by the average remuneration of those engaged in the six leading necessary productive industries. This would largely remove the incentive to office-seeking and place-hunting.

5. **Franchise.**—That the sacredness of the ballot be guarded by heavy penalties.

That the supreme government only should confer or grant the franchise.

That there be no money or property qualifications on candidacy or citizenship (relics of a by-gone age), and in Canada substitute the word citizen for subject. That election laws be revised so as to permit at least three months between nomination of candidates and the election, thus allowing time to examine and discuss all necessary public questions. That the word "male" be removed from all statutes and the word "person" substituted and terms "men," "women," "boys" and "girls" used where necessary.

6. That six hours shall constitute a legal day's work in all departments except farming during four weeks in the spring or seeding time and four weeks in harvest time.

7. That our school system be so remodelled as to enable all children to have the opportunity of a first class education: (a) by raising the school age to 18; (b) by teaching all necessary trades, occupations, and callings in our public schools, so that each child may cultivate his or her natural ability and desires in order to qualify them to fill some necessary calling or occupation successfully in after life; (c) that in the public schools all children over fourteen years of age be taught true political economy from the most modern advanced thought of democracy, including the rights, duties and responsibilities of citizenship, also have lessons in our school books explanatory of co-operation, and industrial unionism and democracy in industrialism.

8. That the legislative government shall consist of but one elected body, and the veto power be taken from the heads of all governments and assumed by

the voters through the adoption of direct legislation, the initiative, referendum and recall, and the system of proportional representation. The same principles to be carried out in all industrial organizations.

8a. That militarism be discouraged, as war is ever made by and in the interests of money kings and speculators, forcing destruction upon the common people without them being heard or a choice made in the decisions of war.

9. That our political system be so remodelled that: (a) all court judges be elected by the people for reasonably short terms, eligible for re-election; (b) the death penalty be abolished, as the command "Thou shalt not kill" applies to judicial murder as well as to other murder; (c) that our prison system be remodelled and conducted as reformatory institutions, and that the inmates or their dependents shall receive the social result of their labor; (d) that courts be deprived of power to declare any law to be unconstitutional which has been enacted by any proper legislative body.

10. That each person over sixty years of age shall receive a sufficient pension enabling him or her to live in comfort.

11. That the medical profession be under government supervision, known as the Health Department. The chief of this department should be elected by the people, the candidates for said office to have no connection with any particular school of medicine.

That those physicians who prove most successful in healing diseases and preserving health be specially rewarded.

Free hospital and medical service for all persons needing treatment.

12. That the rights of free speech, free press and free assembly shall not be curtailed under any circumstances.

13. That the rights of all citizens and their families to religious belief and practice shall always be maintained, providing the nature of same does not disturb the public peace.

14. That laws of the commonwealth be as few and as plainly written as possible, so that the average citizen may easily understand them.

15. That until the public debt is cancelled a tax of 50 per cent. be levied on all incomes over \$2,000 graded up to 100 per cent. on \$1,000,000; death duties and inheritance tax to be similarly levied.

We believe it is the imperative duty of every person who knows the evils of our present political, industrial and economic systems, which enable a few to live in luxury at the expense and pauperization of the many, to do all in their power to wake up the people before it is too late.

RICH AND POOR

Rich and poor, rich and poor, oh, what tragic words are these;
What histories, what mysteries of fortune's stern decrees.
Friends they sever, some forever, think what torture they endure;
Must we tomorrow live in sorrow just by being rich or poor?
See yon gay and costly carriage bears a proud one on her way,
'Tis for that her heartless marriage, this perchance is what she'll say;
But her troubles now are endless, 'spite her place in mammon's niche,
For she is desolate and friendless—'twas not so ere she was rich.

Rich and poor, rich and poor, oh, what magic words are these!
What histories, what mysteries of fortune's stern decrees.
Friends they sever, some forever; think what torture they endure;
Must we tomorrow lend or borrow, just by being rich or poor?

Ask yon maiden, broken-hearted, why she looks so pale
with care;
Gold, she'll tell you, 'twas that parted her from all she
hoped to share;
Not a heart, but worldly splendor, strove her loved one to
secure,
What cared he who might befriend—he was rich and she
was poor.

Rich and poor, rich and poor, upon these words what hearts
are sold;
What heart-beating, what retreating, when the test is
nought but gold;
Vows are broken, falsehoods spoken, streams once crystal
run impure,
Every trouble seems to double, just by being rich or poor.

IN CONCLUSION

Let us consider another aspect of the financial situation. The gross debt of all the people of Canada is about three billion dollars, which has been incurred in about sixty years. There is not enough money in the entire Dominion to pay even the interest on this debt for just one year.

Now eliminate the privileged idle rich and the compulsory idle poor; also those employed in needless, destructive, unnecessary work (and their families) which will leave about six million employed in productive and useful occupations; then divide this enormous debt between those six millions and the share of each equals about five hundred dollars; that is, twenty-five hundred dollars for each family of five.

The debt of the Province of Alberta is between seventy and eighty millions of dollars, incurred in fourteen years. The indebtedness of the City of Edmonton amounts to about thirty-four million dollars, all incurred in approximately twenty years.

Now, gentle reader, ask your (so-called) representative in that Gas House at Ottawa how he pro-

poses to extricate the people from this immense load of bondage, by and through the same money and banking system which has involved them so hopelessly in such a short time.

Let me explain what could have been done when Parliament convened the latter part of last winter: In the first place they should have introduced and passed a bill authorizing the Minister of Finance to make and issue a perfect Dominion paper money, a full legal tender for all debts, dues and demands in Canada, and in sufficient amount to meet all government needs (ignore the banks altogether), and pay out said new money in defraying all government current expenses, as well as the cost of necessary public improvements. If that had been done times would have immediately begun to improve and would be ascending a gradual incline, and by this time industry would be taking on new life, prices of farm produce rising, unemployment minimized, and the people would face the coming winter with courage and hope. But as it is, times are getting still worse, money more scarce, discouragement, gloom and despair taking possession of the people.

Permit me again to emphasize the fact that the common people need not expect anything to be done in their interest by and through the government until they elect a majority of members to Parliament, pledged to their own interests. You can do that at the coming election provided you have the good sense to intelligently discharge your duties as a citizen.

THESE THINGS SHALL BE

These things shall be—a loftier race
Than e'er the world hath known shall rise
With flame of freedom in their souls,
And light of knowledge in their eyes.

They shall be gentle, brave and strong
To spill no drop of blood, but dare
All that may plant man's lordship firm
On earth, and fire, and sea, and air.

Nation with nation, land with land,
Unarmed shall live as comrades free;
In every heart and brain shall throb
The pulse of one fraternity.

New arts shall bloom of loftier mould,
And mightier music thrill the skies,
And every life shall be a song,
When all the earth is paradise.

AN INVITATION FOR DISCUSSION

The writer is prepared to discuss or debate the money and banking problems before the public with any banker or lawyer, or college or university professor, on the following terms:

I will secure the hall and properly advertize the meeting, the decision to be a majority vote of the audience who have heard the whole discussion, and if the decision is in his favor it will cost him nothing but his effort, but he must agree that if the audience decide against him he will defray the incurred expense. The question to be stated thus: "Resolved, that the present money and banking system robs the wealth producers more than any other evil of the present system, and largely aids and intensifies many other evils," I to take the affirmative and open the discussion in a talk of fifteen minutes, then my opponent to have fifteen minutes, and each fifteen minutes alternately until he is satisfied, then the affirmative to have ten minutes to close.

Yours sincerely,

THE AUTHOR.

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